



FILED

03-22-07
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of SFPP, L.P. (PLC-9 Oil),
CALNEV PIPE LINE, L.L.C., KINDER
MORGAN, INC., and KNIGHT HOLDCO LLC
for Review and Approval under Public Utilities
Code Section 854 of the Transfer of Control of
SFPP, L.P. and CALNEV PIPE LINE, L.L.C.).

Application 06-09-016
(Filed September 18, 2006)

Joint Application of The Goldman Sachs Group,
Inc., American International Group, Inc., Carlyle
Partners IV, L.P., Carlyle/Riverstone Global
Energy and Power Fund III, L.P., for Exemption
Under Section 852 of the Public Utilities Code for
Certain Future Transactions Involving Non-
Controlling Interests in California Public Utilities.

Application 06-09-021
(Filed September 22, 2006)
[Formally Consolidated]

**ADMINISTRATIVE LAW JUDGE RULING
REGARDING ORAL ARGUMENT**

Oral Argument

Pursuant to Pub. Util. Code § 1701.3(d), a quorum of the Commission will
hear oral argument in these consolidated applications, as follows:

**Tuesday, April 10, 2007
1:30 a.m. – 3:00 p.m.
State Office Building Auditorium
505 Van Ness Avenue
San Francisco, CA 94102**

Background

Application (A.) 06-09-016 concerns a proposed change of control over SFPP, L.P. and Calnev Pipe Line, L.L.C. through acquisition of the current owner, Kinder Morgan Inc. (KMI), a publicly-traded corporation, by a group of private investors through a private, limited liability company, Knight Holdco LLC. The private investors are Richard Kinder, who at present is the Chairman and CEO of KMI, together with Goldman Sachs, American International Group, Inc., The Carlyle Group, and Riverstone Holdings LLC.

A.06-09-021 concerns the request by Goldman Sachs, AIG, The Carlyle Group, and Riverstone Holdings LLC for an exemption from the requirements of Pub. Util. Code § 852 for future acquisitions of non-controlling interests in the capital stock of California utilities.

The Commission has consolidated these applications for decision. Following three days of hearings in February 2007 on issues related to A.06-09-016, the parties filed opening briefs on all issues on March 19. Reply briefs are due on April 2. The Assigned Commissioner's scoping memo identifies April 24, 2007 as the target mailing date for a proposed decision. It is not anticipated that a proposed decision will issue prior to oral argument.

Agenda

An agenda for the oral argument is attached to this ruling. Parties may address any issues raised in their briefs, whether relevant to A.06-09-016 or to A.06-09-21. After review of the filed requests and responses,¹ time has been

¹ The pleadings comprise the following: Requests on February 28, 2007 by ConocoPhillips Company and by Indicated Shippers (consisting of the following six entities -- BP West Coast Products LLC, ExxonMobil Oil Corporation, Chevron Products Company, Tesoro Refining and Marketing Company, Ultramar Inc., and Valero Marketing and Supply Company; a Request on March 1 by Consumer Federation of

Footnote continued on next page

apportioned among the proponents and opponents to permit the airing of all points of view. Aligned parties may cede time to one another. Joint Applicants may reserve any unused time from their opening arguments for addition to their rebuttal. Parties are advised, however, that Commissioners may interpose questions at any time and that a party's answer will be counted within its time allocation.

Parties may distribute handouts, or use briefing boards or computer presentations (such as Power Point), subject to the conditions set out in the ruling paragraphs below. Parties shall make any necessary technical arrangements at least 48 hours beforehand by contacting Steve Allen of the Commission's Information and Management Services Division (aln@cpuc.ca.gov; 415-703-1209).

IT IS RULED that:

1. Oral argument on these consolidated applications shall be held on April 10, 2007, as set forth in this ruling.
2. At oral argument, each party may prepare and use handouts, briefing boards, or computer presentations (such as Power Point), subject to the following conditions:
 - a. A handout (including paper copies of briefing board or computer presentations) may consist of no more than 10 pages (printed on one side only).
 - b. All pages of a handout and any points set out therein should be numbered for ease of reference and clarity at oral argument, and to facilitate understanding of the resulting transcript.
 - c. A party must provide sufficient copies of its handout for distribution to each of the Commissioners present, the assigned ALJ (two copies), and

California; a March 7 Response by Joint Applicants; a March 9 First Amended Request by Indicated Shippers; and a March 12 Response by ConocoPhillips Company.

the court reporters, as well as at least 50 additional copies, which will be made available to members of the audience on a first come/first served basis.

- d. A party shall serve a copy of its handout on the service list no later than April 17, 2007 but shall not file the handout with the Commission's Docket Office. The ALJ will provide a complete set of handouts to the Docket Office for incorporation in the formal file.

Dated March 22, 2007, at San Francisco, California.

/s/ JEAN VIETH
Jean Vieth
Administrative Law Judge

AGENDA

1:30 p.m. Call to Order

Opening Argument *

Joint Applicants	25 minutes
Indicated Shippers	20 minutes
ConocoPhillips	5
Consumer Federation	10
Division of Ratepayer Advocates	5

Rebuttal *

Joint Applicants	10 minutes
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3:00 p.m. Adjourn

*** Commissioners may interpose questions at any time during the oral argument.**

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

Dated March 22, 2007, at San Francisco, California.

/s/ ERLINDA PULMANO
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Last Update on 21-MAR-2007 by: SMJ

A0609016 LIST

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